

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

NTC Network, LLC	:	
	:	
Application for a certificate of local and	:	01-0196
Interexchange authority to operate as a:		
reseller of telecommunications services	:	
throughout the State of Illinois.	:	

ORDER

By the Commission:

On February 27, 2001, NTC Network, LLC, a California Limited Liability Company that is authorized to do business in Illinois, (the "Applicant") filed a Verified Application with the Illinois Commerce Commission (the "Commission") for Certificates of Service Authority to provide resold and facilities-based local exchange and interexchange telecommunications services in the State of Illinois pursuant to Sections 13-403, 13-404 and 13-405 of the Public Utilities Act, 220 ILCS 5/1-101, et seq. (the "Act"). The Applicant also sought waivers of Parts 710, 735 and 250, as well as a variance of Part 735.180.

Pursuant to notice given in accordance with the law and the rules and regulations of the Commission, this matter came on for a hearing before a duly authorized Hearing Examiner of the Commission at its offices in Chicago, Illinois, on April 11, 2001. At the conclusion of the hearing, the record was marked "Heard and Taken."

The Applicant was represented by counsel and it appeared by its President, Willy Ma, who testified in support of the petition. Barbara Lankford, of the Consumer Services Division, and Karen Buckley, of the Telecommunications Department of the Public Utilities Division, appeared on behalf of the Staff.

Ma testified that the Applicant is a California limited liability company that is authorized to do business in Illinois. It intends to initially supply Prepaid long distance services, including One Plus services, toll-free inbound dialing (800 numbers) and data services. Also in the beginning, it will be using the facilities of Qwest and Global Crossing. The applicant has been certified in three other states.

Ma's testimony established that the Applicant has the requisite technical, managerial and financial qualifications to provide telecommunications services in Illinois. Ma's testimony additionally established that the Applicant's management has the requisite training and experience in the telecommunications field. Ma sponsored as Exhibits the

Applicant's financial statements, which demonstrate that Applicant has the financial qualifications to provide telecommunications services in Illinois. The Applicant has indicated that it will abide by all federal and state "slamming" and "cramming" laws. (Section 258 of the Telecommunications Act of 1996 and Section 13-902 of the Public Utilities Act). The Applicant has also indicated that it currently has procedures in place to prevent "slamming" and "cramming."

Staff stated that it had reviewed the application and supporting documentation and it has no objection to the Commission grant of the authority requested in this proceeding.

The Applicant has requested that the Commission make certain declarations and grant certain waivers of the Act, and from the rules and regulations of the Commission. The services the Applicant proposes to provide will be competitive telecommunications services, as described in Section 13-502(b) of the Act. The Applicant is required to file tariffs with the Commission under Section 13-501 of the Act, describing the nature of its services, the applicable rates and charges and the terms and conditions of the service provider. If the Applicant files the required tariffs in compliance with Section 13-502(e) and the rules adopted thereunder in 83 Ill. Admin. Code Section 745, many of the provisions of the Act, as well as regulations adopted by the Commission in Title 83 Illinois Administrative Code, will be inapplicable to the Applicant.

The Applicant seeks waivers of 83 Ill. Admin. Code Sections 710 and 735, with regard to interexchange services, and Sections 710 and 735.180, with regard to local exchange services. Section 710 is entitled "Uniform System of Accounts for Telecommunications Carriers" and Section 735 is entitled "Procedures Governing the Establishment of Credit, Billing Deposits, Termination of Service and Issuance of Telephone directories for Local Exchange Telecommunications Carriers in the State of Illinois. Section 735.180 concerns the provisioning of telephone directories by local exchange carriers.

The Applicant's request for a waiver of 83 Ill. Admin. Code Section 710, which governs maintaining books and records under the Uniform System of Accounts, should be granted in order to reduce the economic burdens of regulation of a company that provides only competitive services.

The Applicant's request for a waiver of Section 735 should also be granted in the context of interexchange services, since the rules contained therein are not applicable to interexchange services.

The Applicant should be granted its request for a variance of Part 735.180 in the context of local exchange services, which governs telephone directory services. Section 735.50 states that a permanent variance from this Section may be granted when the Commission finds that the provision from which the variance is granted is not statutorily mandated, no party will be injured by the granting of the variance, and the rule from which the variance is granted would be unreasonable or unnecessarily burdensome, if applied.

The Applicant additionally seeks permission to keep its books and records at its principal place of business in California, rather than Illinois, pursuant to 83 Ill. Admin. Code Section 250, which governs maintaining books and records in Illinois. Applicant's request should be granted, in accordance with Section 5-106 of the Act.

The Commission, having reviewed the entire record and being fully advised in the premises, is of the opinion and finds that:

- (1) the Commission has jurisdiction over the Applicant and the subject-matter herein;
- (2) the Applicant, NTC Network, LLC, a California limited liability company that is authorized to do business in Illinois, is seeking to obtain certificates of service authority pursuant to Sections 13-403, 13-404 and 13-405 of the Act in order to provide resold and facilities-based local exchange and interexchange services throughout the State of Illinois, and as such, provides telecommunications service within the meaning of Section 13-203 of the Act;
- (3) as required by Sections 13-403, 13-404 and 13-405 of the Act, NTC Network, LLC, possesses the requisite technical, financial and managerial resources to provide transmission services and voice services throughout Illinois;
- (4) the recitals of fact and conclusions therein stated in the above portions of this Order are supported by the record and are hereby adopted as findings of fact;
- (5) the Applicant is granted a waiver of 83 Ill. Admin. Code Section 710, governing the Uniform System of Accounts, provided that the Applicant maintains its accounting records in accordance with Generally Accepted Accounting Principles in a level of detail similar to the accounting system it current uses and in sufficient detail to comply with all applicable tax laws;
- (6) with regard to providing telecommunications services on an interexchange basis, the Applicant is granted a waiver of 83 Ill. Admin. Code Section 735, as it relates to credit, billing, deposits and termination of services;
- (7) with regard to providing services on a local basis, the Applicant is granted a variance of 83 Ill. Admin. Code Section 735.180, the requirement to publish a directory, with the understanding that it will meet its obligation to list its customers in a directory by making arrangements with the incumbent local exchange carrier to list its customers in the directories published by that local exchange carrier;

- (8) pursuant to 83 Ill. Admin. Code Section 250, the Applicant should be allowed to maintain its books and records at its principal place of business in California;
- (9) Applicant should file with the Commission a tariff consisting of its rates, rules and regulations, in accordance with Sections 13-501 and 13-502 of the Act to be effective upon proper filing, before commencing service.

IT IS THEREFORE ORDERED that NTC Network, LLC, be, and is hereby, granted Certificates of Service Authority pursuant to Sections 13-404 and 13-405 of the Act and that its Certificates of Service Authority should read as follows:

CERTIFICATE OF INTEREXCHANGE SERVICE AUTHORITY

IT IS HEREBY CERTIFIED that NTC Network, LLC, is authorized pursuant to Section 13-403 of the Public Utilities Act to provide telecommunications services on a facilities-based interexchange basis within the State of Illinois.

CERTIFICATE OF SERVICE AUTHORITY

IT IS HEREBY CERTIFIED that NTC Network, LLC, is authorized pursuant to Section 13-404 of the Public Utilities Act to provide telecommunications services on a resold interexchange and local basis within the State of Illinois.

CERTIFICATE OF EXCHANGE SERVICE AUTHORITY

IT IS HEREBY CERTIFIED that NTC Network, LLC, is authorized pursuant to Section 13-405 of the Public Utilities Act to provide telecommunications services on a facilities-based local exchange basis throughout the State of Illinois.

IT IS FURTHER ORDERED that NTC Network, LLC, is required to file with this Commission a tariff consisting of its rates, rules and regulations, to be effective upon proper filing, before commencing service.

IT IS FURTHER ORDERED that NTC Network, LLC, is granted its request for a waiver of 83 Ill. Admin Code Section 710, as long as it maintains its accounting records in accordance with generally Accepted Accounting Principles.

IT IS FURTHER ORDERED that NTC Network, LLC, is granted its request for a waiver of 83 Ill. Admin. Code Section 735, as is set forth in finding (6) above.

IT IS FURTHER ORDERED that NTC Network, LLC, is granted a variance of 83 Ill. Admin. Code Section 735.180, as is set out in Finding (7) above.

IT IS FURTHER ORDERED that NTC Network, LLC, is granted its request for a waiver of 83 Ill. Admin. Code Section 250, in order to keep its books and records in California.

IT IS FURTHER ORDERED that, subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Admin. Code § 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this 6th day of June, 2001

Chairman